



**Revise Insurance Laws – SB 133**

**Sponsored by Senator Christine Kaufmann at the request of the State Auditor's Office**

EXHIBIT 3  
DATE 3-12-09  
SB 133

**What does this bill do?**

This bill generally cleans up and updates language in the insurance code. The following is a list of highlighted items in this bill.

33-1-601, MCA – Clarifies language pertaining to an insurer's obligation to update its address for purposes of service of process.

33-2-116, MCA –Deletes the requirement that the insurer must return its certificate of authority to the Commissioner if that certificate has been suspended. Retains the requirement that the certificate be returned if it has been terminated or is expired.

33-2-301, 33-2-305, 33-2-306, 33-17-211, 33-17-212, 33-17-214, 33-17-301, 33-17-1001, 33-17-1002, 33-17-1103, 33-20-1307, 33-21-113 33-31-102, 33-31-111, MCA – Changes existing language from "partnership or corporation" to "business entity."

33-4-502, MCA - Clarifies that Farm Mutual Insurers may use the same type of reinsurers that other domestic insurers use,

33-4-504, MCA - Clarifies that Farm Mutual Insurers may collect premium in installments. Previously, the code appeared to require that the entire premium had to be collected up front.

33-17-231, MCA - Changes the Commissioner's existing rulemaking authority regarding the electronic filing of insurance producer appointments from mandatory to discretionary.

33-17-1001, MCA – Clarifies the commissioner's authority to enforce the provisions of the insurance code against a person, even if that person's license has already been surrendered or lapsed. This change adds the language "suspended, revoked, or refused or denied" to that list.

33-17-1204, MCA – Changes existing language "Montana National Association of Insurance and Financial Advisors- Montana" to the new name for that organization, "National Association of Insurance and Financial Advisors-Montana."

33-19-105, MCA – Changes the sunset date from 2009 to 2011 for the section that exempts a health insurer from parts of the Montana Insurance Information and Privacy Protection Act that are inconsistent with the provisions federal HIPAA privacy regulations.

33-20-606, MCA - Exempts variable life insurance policies from the provisions of 33-20-110--requiring a table of installments. Variable life insurance is an investment-oriented policy that provides a return linked to an underlying portfolio of securities. Because of the variability of the investments the insurer is unable to predict the loan values.

33-20-1303, MCA – Adds language that says a business entity, other than a corporation or partnership, must be organized under the laws of Montana in order to obtain a license to be a viatical settlement provider or broker.

33-22-142, MCA – Clarifies that the time for issuing a certificate of creditable coverage does not begin to run until after the expiration of the notice period allowed for cancellation for nonpayment of premium.

33-22-232, MCA – Clarifies that the language required in policies pertaining to renewal is subject to the guaranteed renewability provisions of HIPAA provided for in 33-22-247 or 33-22-524.

33-22-302, MCA – Clarifies that the language required in insurance policies pertaining to age limits and their effect on coverage is subject to the guaranteed renewability provisions of HIPAA provided for in 33-22-247 or 33-22-524.

33-22-530, MCA -- Clarifies that withholding payment of claims during the 15-day notification period for cancellation for nonpayment of premium only applies to claims for benefits incurred during that 15-day period.

33-22-1809, MCA – Strikes existing language “of that coverage” in section 1, subsection (1) (e). That language was previously added by mistake and it obscures the meaning of the section.

33-28-104, MCA – Changes existing language to indicate types of captive insurance companies instead of indicating a captive reinsurance company. Correcting a previous wording error.

33-30-102, MCA – Adds 33-3-401, MCA (the requirement that an insurer maintain records for 5 years) as a statute that applies to health service corporations. All insurers must maintain records for many purposes, including future examinations.

33-31-111 MCA – Adds 33-3-401 MCA (the requirement that an insurer maintain records for 5 years) as a statute that applies to health maintenance organizations. All insurers must maintain records for many purposes, including future examinations.

**Amendment** : Requires that health insurance that includes coverage for prescription drugs must provide that after the deductible, copayment, or other cost-sharing requirement is met, the insured shall pay only their required cost-sharing portion of the cost at the time of purchase, if that portion can be determined by the prescription drug dispenser, third party administrator, or health insurance issuer at the time of purchase.